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Eastern District  
Auditor General  
Comptroller, USAF  
Liaison Office  
P.O. Box 8055  
S.W. Station  
Washington, D.C.

27 January 1959

**SUBJECT:** Supplement to Report on System Survey

**TO :** Contracting Officer

**REF :** Our Document No. 258, dated 3 Dec 1958

Our report of survey of the subject Contractor's accounting procedures and practices is amended to include the following addition to the recommendations set forth in Exhibit A.

"5. The Contractor's policy is to expense directly all deferred charges required by the undertaking of a specific contract or project even though other contracts unknown at the time of purchase might benefit from these expenditures. The Auditor is of the opinion that deferred charges should be written off over a period that can absorb such costs."

Liaison Officer  
Eastern District  
Auditor General

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